

# EXHIBIT E

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September 10, 2014

**Eli Hoory, Esq.**  
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Washington, DC 20220

**Re: Microsoft Corporation and Subsidiaries**

Dear Eli:

Thank you for your letter yesterday. We want to address two matters in the letter.

First, we have considered your proposal to address our concerns regarding some of your experts listening to the interviews by phone. Based on the representations set forth in your letter, we will arrange for conference call equipment in the interview room for your use. It is our understanding that due to the confidential nature of the interviews, those individuals on the phone will not be allowed to record the interview with any recording device.

Your letter also makes reference to the temporary regulation on expert witness participation under section 7602. Your letter states that witnesses listening by phone will not interrupt the interview with their questions. In addition, please confirm that any experts sitting in the interview room will not interrupt any interview with questions. In other words, please confirm today that all questioning will be conducted only by IRS employees or Office of Chief Counsel attorneys.

For purposes of assessing our concerns regarding the Quinn Emanuel involvement in the transcribed interviews, you state that the IRS has no engagement letter with the law firm. Nevertheless, the IRS has clearly engaged the firm to provide legal assistance in fact finding and evaluating its procedural options. As we discussed last Friday, we are seeking an unredacted copy of the contract, purchase order, or any other document related to retaining or engaging Quinn Emanuel. In accordance with its disclosure obligations, the IRS has disclosed that it entered into this contract (No. TIRNE 14C00013/0) on May 19, 2014. Please send us an unredacted copy today, so we can respond to your letter by the end of the day tomorrow.

In order to assess our concerns about confidentiality, we ask you also to address the following. First, please identify any Quinn Emanuel attorneys, who will be provided any non-public Microsoft information or who are otherwise supporting the IRS examination other than the three individuals stated in your letter. Second, please advise whether the Quinn Emanuel attorneys engaged by the IRS have worked on matters previously adverse to Microsoft. If so, please identify the attorney and the matter by adverse party name and docket number (if any).

Third, we would appreciate you delineating the specific steps Quinn Emanuel has taken to establish adequate ethical walls to prevent the sharing of confidential information. Finally, with respect to possible future adversity, your letter offers us advance notice and "an opportunity to express our concerns." We request a representation similar to your representation regarding current adversity, that is, "None of the QE attorneys or paralegals supporting the IRS examination will be assigned to other matters in which QE is adverse to Microsoft during the pendency of the Microsoft tax controversy."

We would appreciate your response to this letter by 9AM PDT on Thursday September 11, so we can comply with your request for our Thursday response to your September 9 letter.

Sincerely,



Michael J. Bernard  
U.S. Tax Counsel

cc: Walter Choi, IE Team Manager  
Cheryl P. Claybough, Industry Director, CTM  
Sharon R. Porter, Director, IBC  
Kenneth Wood, Acting Director, TPO